



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 5, 2007

Mr. Dennis Stowell, President
Silica Sand Company
285 West 200 North
Post Office Box 796
Parowan, Utah 84761

Subject: Request for Letter of Credit Amendment and Complete Reclamation
Contract, Silica Sand Company, White Sands Project, M0210018, Iron
County, Utah

Dear Mr. Stowell:

On January 3, 2007, the Division received via Fax delivery the BLM Surface Management Personal Bond form 3041-2a between Mr. T. Kelly Dalton and the BLM and a copy of the Letter of Credit in the amount of \$3,000.00 issued by Mountain America Credit Union.

In order to receive Division approval for the reclamation surety (bond) amount of \$3000.00, the following is required:

- The small mine reclamation contract, completed, signed and notarized (this document was mailed to you on December 21, 2006);
- The Division, State of Utah DOGM, must be identified as a co-beneficiary to the existing letter of credit issued by Mountain America Credit Union.

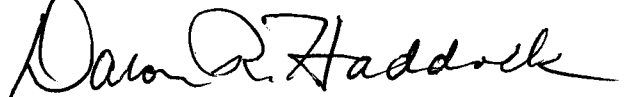
Please contact Mountain America Credit Union and inform them of this important requirement. The Division will accept an amendment to the letter of credit incorporating this information. If the bank has any questions, please contact Ms. Beth Ericksen, (801) 538-5318 or bethericksen@utah.gov.

The Division can take no further review action until the completed, signed, notarized and original reclamation contract and requested Letter of Credit amendment have been received. Please ensure these required actions gain your prompt attention so this permit is in compliance with state regulatory requirements.

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Dennis Stowell
Silica Sand Company
M0210018
January 5, 2007

Thank you in advance to your prompt attention to this important permitting matter. Please contact Beth Ericksen, (801) 538-5318 with questions and/or assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly distinguishable.

Daron Haddock
Permit Supervisor
Minerals Regulatory Program

SMW:BE:pb

cc: Doug Jensen, DOGM
Beth Ericksen, DOGM
John Baza, DOGM
Mary Ann Wright, DOGM
T. Kelly Dalton, ERA Realty Center, 259 West 200 North, Cedar City, Utah 84720
Ed Ginouves, BLM, (Ed_Ginouves@blm.gov)
Opie Abeyta, BLM (Opie_Abeyta@blm.gov)
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